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**DEPARTMENT OF CONSUMER AFFAIRS**  
**CALIFORNIA BOARD OF ACCOUNTANCY**

**Draft**

**MINUTES OF THE**  
**February 18, 2011**  
**ACCOUNTING EDUCATION COMMITTEE (AEC) MEETING**

**Draft**

California Board of Accountancy  
 2000 Evergreen Street, Suite 250  
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**I. Roll Call and Call to Order.**

AEC Chair Ruben Davila, called the meeting of the AEC to order at 12:39 p.m. on Friday, February 18, 2011 at the California Board of Accountancy (CBA) office. Mr. Davila indicated that to ensure compliance with the Bagley-Keene Open Meeting Act, Section 11122.5(c)(6), if a majority of members of the full CBA are present at a committee meeting, members who are not members of that committee may attend the meeting only as observers. CBA members who are not committee members may not sit at the table with the committee, and they may not participate in the meeting by making statements or by asking questions of any committee members.

**AEC Members**

Ruben Davila, Chair	12:39 p.m. to 3:52 p.m.
Donald Driftnier, CBA Member	12:39 p.m. to 3:52 p.m.
Sherry Anderson	Not Present
Betty Chavis	12:39 p.m. to 3:52 p.m.
Thomas Dalton	12:39 p.m. to 3:52 p.m.
Michael Moore	12:39 p.m. to 3:52 p.m.
Gary Pieroni	12:39 p.m. to 3:52 p.m.
Sara Seyedin	12:55 p.m. to 3:52 p.m.
Xiaoli "Charlie" Yuan	Not Present

**Staff and Legal Counsel**

Rich Andres, Information Technology Staff  
 Dominic Franzella, Manager, Licensing  
 Deanne Pearce, Chief, Licensing Division  
 Jenny Sheldon, Licensing Coordinator

**Other Participants**

Jason Fox, CalCPA  
 Pilar Oñate-Quintana, KP Public Affairs  
 Tiffany Rasmussen, KPMG  
 Jeannie Tindel, CalCPA

- II. Approve Minutes of the September 3, 2010 AEC Meeting.

**It was moved by Mr. Driftmier, seconded by Ms. Chavis, and unanimously carried by those present to approve the minutes (Attachment #1). Ms. Seyedin was not present at the time of the vote.**

- III. Acceptance of Units Earned at College or University Extension Programs for Purposes of Meeting the Educational Requirements for CPA Licensure.

Ms. Pearce provided an oral report for this item. Ms. Pearce stated that staff continue to work on this item with DCA legal counsel and will report back once more information is available. Mr. Davila indicated that the reason for the research is to determine whether courses completed through an extension program and reflected on university transcripts fall under the university's accreditation.

- IV. Consideration of Recommending to the CBA Acceptance of a Specified Master's Degree to meet the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #2**). At the June 2010 AEC meeting members came to a general consensus to allow a Master of Accounting or Master of Taxation degree to meet the 20 units of accounting study. Ms. Sheldon reported that staff believe it would be prudent for members to consider formally recommending that the CBA sponsor legislation to specifically allow a specified master's degree to meet the 20 units of accounting study in order to eliminate any question as to the CBA's authority to effectuate such a regulation. Ms. Sheldon presented two options for draft statutory language and identified issues for consideration to the AEC with each of the two options. The language for each option is listed on page three of **Attachment #2**.

Members discussed the draft language and expressed that the option providing the CBA with the most flexibility would be the most favorable option.

Ms. Rasmussen commented that there are additional degrees that may be equivalent such as a Master's of Business Administration with an accounting emphasis, Master's of Forensic Accounting, or a Master's of Law degree with an emphasis in taxation.

Staff was directed to research the degrees mentioned by Ms. Rasmussen so members could evaluate if the degrees should be deemed substantially equivalent to the academic requirements of a Master's of Accounting or Master's of Taxation degree.

**It was moved by Mr. Driftmier, seconded by Mr. Moore, and unanimously carried by those present to move forward with recommending the CBA sponsor legislation to allow a specified master's degree to meet the 20 units of accounting study.**

Ms. Tindel suggested that members may wish to consider stating graduate degree rather than master's degree in order to allow a doctorate or juris doctorate degree in a related subject to qualify.

Staff was directed to include accounting-related graduate degrees in the research to be performed.

- V. Report of the Subcommittee's September 24th and December 21st Meetings and Proposal for the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Moore and Mr. Davila presented the memorandum for this agenda item **(Attachment #3)**.

The AEC went through each recommendation outlined in the memorandum to determine continued agreement. The AEC revisited the discussion regarding the suggested requirement that all courses be completed at the upper division level, specifically in the area of communications courses.

Ms. Seyedin expressed concern that community colleges do not clearly specify upper division courses in the course catalog as she had previously thought, which may exclude community colleges and create barriers to entry and financial hardships to students. Ms. Seyedin recommended the regulatory language specifically state that upper division courses taken at community colleges are acceptable or remove the requirement that courses be completed at the upper division level. Staff clarified that if courses are not identified as upper division on the college transcript staff would be unable to accurately distinguish between upper and lower division courses when reviewing an application.

Staff was directed to perform research to determine how upper division courses are identified at community colleges to include reviewing community college course catalogs, articulation agreements, and contacting the Board of Governors of California Community Colleges.

Members did not vote on the subcommittee's recommendations but came to a general consensus to require all units be completed at the upper division level, require a minimum of six units be completed in accounting subjects and a maximum of 14 units in business-related subjects or other academic work relevant to accounting and business, allow a maximum of four units in internships or independent study, and accept a specified master's degree to meet the 20 units of accounting study.

Members discussed the subcommittee's proposal for defining the term "other academic work relevant to accounting and business." No comments were made regarding the proposed maximum of six units in skills-based courses.

Ms. Chavis recommended that the language portion of the definition be changed to include cultural studies. Mr. Driftmier agreed that cultural awareness is vital to business interactions. Members came to a general consensus that the language section should be amended to include cultural studies keeping the three unit cap. Staff was directed to research college course catalogs to determine how cultural courses are identified.

Mr. Davila moved the discussion to the area of industry-based courses, which are professional programs including engineering, architecture, real estate, etc. In discussing the difference between industry-based and knowledge-based courses members came to a general agreement that nearly all subject areas have industry applicability. Mr. Franzella asked for clarification on the difference between industry based and knowledge based. Mr. Davila stated that knowledge based and industry based are part of the same topic because knowledge based is a subset of industry based in that it has applicability to industry even though the course is not designed to address the industry application of the subject.

Members came to a general consensus that no unit limitation should be placed on industry-based courses due to the direct relationship to the accounting profession. Members also came to a general consensus that knowledge-based courses should be limited to three units due to the indirect nature of relationship to professional practice.

Ms. Tindel questioned if the industry-based course work will have a 14 unit limitation. Mr. Davila confirmed that industry-based courses would fall under the 14 unit limitation assigned to business-related subjects and "other academic work relevant to accounting and business."

VI. Information on Educational Documents to Meet the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Franzella presented the memorandum for this agenda item (**Attachment #4**). Mr. Franzella provided members with information on the CBA's transcript review process and identified areas for member consideration including the previously discussed inability to identify upper division coursework on community college transcripts, courses categorized as "other professional courses," and the ability to identify qualifying courses based on the regulatory language as proposed by the subcommittee.

Members discussed the information provided on transcripts. As was discussed under Agenda Item V, staff will perform further research regarding how upper division courses are identified at community colleges.

VII. Future Agenda Items and Meeting Dates.

Future meeting agenda items include all identified areas of research, information on the acceptability of courses completed at extension programs, and draft regulatory language.

Staff will contact members to determine availability for the next AEC meeting.

VIII. Public Comments

The CBA received three written comments on behalf of the AEC.  
**(Attachment #5).**

No further public comments were received.

ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 3:52 p.m. on Friday, February 18, 2011.

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Ruben Davila, Chair

Prepared by Jenny Sheldon, Licensing Coordinator.